

## PROMOTING FOREIGN INVESTMENT IN COLOMBIAN ENTERPRISES

(TC-00-06-00-3)

### EXECUTIVE SUMMARY

<b>Executing agency:</b>	Corporación Invertir en Colombia [Invest in Colombia Corporation] (Coinvertir)	
<b>Beneficiaries:</b>	The direct beneficiaries of the program are small and medium-sized Colombian enterprises (across the country) that may be attractive for foreign investment but cannot readily access traditional means of identifying investors and organizing and promoting projects (such as investment banks) in order to find foreign partners.	
<b>Objectives and specific components:</b>	<p>The general objective of the program is to increase the level of foreign direct investment (FDI) in Colombia particularly investment leading to a transfer of technology and market expansion. The specific purpose of the program is to put in place a mechanism to attract foreign investment that is sustainable over time.</p> <p>The project is organized into four components as follows: (i) design of the investment project methodology, which will aim to develop a methodology in keeping with international best practices in investment project preparation; (ii) training and investment project organization, which will promote the creation of a critical mass of FDI projects; (iii) dissemination of investment projects, to facilitate the establishment of direct relationships between Colombian enterprises and foreign investors, and to help transfer the executing agency's activity to other Latin American countries; and (iv) strengthening of the executing agency to increase the efficiency and effectiveness of Coinvertir as an agency that promotes FDI.</p>	
<b>Financing:</b>	Local counterpart:	US\$ 600,000 (40%)
	MIF (Window I):	US\$ 900,000 (60%)
	Total:	US\$1,500,000 (100%)
<b>Terms:</b>	Execution period:	36 months
	Disbursement period:	42 months
<b>Exceptions:</b>	None.	

**Special conditions:**

As conditions precedent to the first disbursement, Coinvertir shall demonstrate to the Bank's satisfaction that: (i) the program director has been appointed, and (ii) a coordinator has been selected.

The program will be executed in two stages. The funding for the first stage will be disbursed once the conditions precedent to the first disbursement specified in the preceding paragraph have been fulfilled. Two activities will be carried out in stage one: (i) preparation of an investment project methodology (that also includes a user manual, a curriculum with the corresponding multiplier/consultant training materials and selection criteria) and (ii) preparation of regulations governing cofinancing for project organization. As a condition precedent to disbursement for stage two, the executing agency must submit, for the Bank's nonobjection, the reports setting out the aforesaid methodology and cofinancing regulations.

**Socio-environmental impact:**

The CESI approved the program on 9 March 2001, with the recommendation that it be specified that participating companies will be required to comply with national environmental protection standards as a condition for cofinancing of its investment projects and that the environmental management plans and the potentially adverse environmental effects be included as part of the project formulation methodology.